

AMENDED IN SENATE MAY 13, 2002

AMENDED IN SENATE APRIL 24, 2002

**SENATE BILL**

**No. 1879**

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**Introduced by Senator Poochigian**

February 22, 2002

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An act to amend Section 1102.6b of the Civil Code, relating to real property, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1879, as amended, Poochigian. Real estate: disclosures.

Existing law requires certain disclosures to be made upon the transfer of real estate and prescribes the manner and form of the disclosures. Existing law requires the seller of real property subject to a continuing lien securing the levy of special taxes pursuant to the Mello-Roos Community Facilities Act, or a fixed lien assessment collected in installments to secure bonds issued pursuant to the Improvement Bond Act of 1915 to make a good faith effort to obtain a disclosure notice concerning the tax assessment from each local agency that levies the tax or collects the assessment, on the property being transferred and deliver it to the prospective purchaser, as long as the notices are made available by the local agency.

Existing law, the Proposition 218 Omnibus Implementation Act, imposes prior notice, protest, and hearing requirements when a local agency levies a new or increased tax or assessment upon real property. Existing law also requires the legislative body of the local agency to designate an office, department, or bureau to prepare a "Notice of Special Assessment" and to furnish a seller of real property with a notice upon request.

This bill would provide that a seller of real property may satisfy its disclosure notice requirement by delivering a disclosure notice that is substantially equivalent, as specified, and obtained from another source, until a notice informing a property owner where to obtain a “Notice of Special Assessment” prepared by the designated office, department, or bureau has been posted at the office of the county recorder for a period of 60 days, or until December 31, 2003, whichever event occurs later.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1.   Section 1102.6b of the Civil Code is amended  
2     to read:  
3     1102.6b. (a) This section applies to all transfers of real  
4     property for which all of the following apply:  
5     (1) The transfer is subject to this article.  
6     (2) The property being transferred is subject to a continuing  
7     lien securing the levy of special taxes pursuant to the Mello-Roos  
8     Community Facilities Act (Chapter 2.5 (commencing with  
9     Section 53311) of Part 1 of Division 2 of Title 5 of the Government  
10    Code) or to a fixed lien assessment collected in installments to  
11    secure bonds issued pursuant to the Improvement Bond Act of  
12    1915 (Division 10 (commencing with Section 8500) of the Streets  
13    and Highways Code).  
14    (3) A notice is not required pursuant to Section 53341.5 of the  
15    Government Code.  
16    (b) In addition to any other disclosure required pursuant to this  
17    article, the seller of any real property subject to this section shall  
18    make a good faith effort to obtain a disclosure notice concerning  
19    the special tax as provided for in Section 53340.2 of the  
20    Government Code, or a disclosure notice concerning an  
21    assessment installment as provided in Section 53754 of the  
22    Government Code, from each local agency that levies a special tax  
23    pursuant to the Mello-Roos Community Facilities Act, or that  
24    collects assessment installments to secure bonds issued pursuant  
25    to the Improvement Bond Act of 1915 (Division 10 (commencing



1 with Section 8500) of the Streets and Highways Code), on the  
2 property being transferred, and shall deliver that notice or those  
3 notices to the prospective purchaser, as long as the notices are  
4 made available by the local agency.

5 (c) The seller of real property subject to this section may satisfy  
6 the disclosure notice requirements ~~of this section~~ *in regard to the*  
7 *bonds issued pursuant to the Improvement Bond Act of 1915*  
8 *(Division 10 (commencing with Section 8500) of the Streets and*  
9 *Highways Code)* by delivering a disclosure notice that is  
10 substantially equivalent and obtained from another source, until a  
11 notice informing a property owner where to obtain a “Notice of  
12 Special Assessment” prepared by an office, department, or  
13 bureau, as required in ~~Sections 53340.2 and Section 53754~~ of the  
14 Government Code, has been posted at the office of the county  
15 recorder for a period of 60 days, or December 31, 2003, whichever  
16 event occurs later. For the purposes of this section, a substantially  
17 equivalent disclosure notice includes, but is not ~~limited to, an~~  
18 ~~itemization of current assessments and the amounts limited to, a~~  
19 *copy of the most recent year’s property tax bill or an itemization*  
20 *of current assessment amounts* applicable to the property.

21 (d) If a disclosure received pursuant to subdivision (b) or (c)  
22 has been delivered to the transferee, a seller or his or her agent is  
23 not required to provide additional information concerning, and  
24 information in the disclosure shall be deemed to satisfy the  
25 responsibility of the seller or his or her agent to inform the  
26 transferee regarding the special tax or assessment installments and  
27 the district. Notwithstanding subdivision (b) or (c), nothing in this  
28 section imposes a duty to discover a special tax, assessment  
29 installments, or the existence of any levying district not actually  
30 known to the agents.

31 SEC. 2. This act is an urgency statute necessary for the  
32 immediate preservation of the public peace, health, or safety  
33 within the meaning of Article IV of the Constitution and shall go  
34 into immediate effect. The facts constituting the necessity are:

35 In order to ensure that prospective purchasers of real property  
36 have all the relevant information they need to make an informed  
37 decision, and to clarify that substantial compliance by property  
38 owners continues to be legally sufficient in the absence of the

- 1 availability of formal disclosures by public entities, it is necessary
- 2 that this act take effect immediately.

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